

AIRGRAM

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TO : DEPARTMENT OF STATE
 INFO : RIO DE JANEIRO, BRASILIA

JAN 16 1964

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ANALYSIS & DISTRIBUTION DIVISION

FROM : AmConGen, SÃO PAULO DATE: January 16, 1964

SUBJECT: Mato Grosso Governor disgusted with American aid.

REF :

The enclosed memorandum of conversation describes
 Governor Fernando Corrêa da COSTA's bitter reaction to
 American treatment of an aid request.

Niles W. Bond

Niles W. Bond
Minister Consul General

- ~~BUNDY-SMITH~~
- ~~ALEXANDER~~
- ~~BELK~~
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Encl att.

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In Out

FORM 4-62 DS-323

Drafted by: DCProper/el 1-15-64 Content and Classification Approved by: Scott C. Lyon *Scott Lyon*

Clearances:
1/2

MEMORANDUM OF CONVERSATION

DATE: January 9, 1964

PLACE: Governor's Palace, Cuiabá, Mato Grosso

SUBJECT: Mato Grosso Governor disgusted with American aid.

PARTICIPANTS: Fernando Corrêa da COSTA, Governor of Mato Grosso.

Datus C. PROPER, Political Officer, American
Consulate General, São Paulo.

The Governor received me outside of his normal office hours, dressed in a sport shirt. He said -- half seriously -- that he was about to "sever relations" with the United States, but that he would wait until after our talk. His complaint was about the slow treatment that an aid request of his had been getting. In mid-1962, he related, he had formally asked for an American loan to help in the construction of a vitally important hydroelectric project (Centrais Elétricas Matogrossense -- CEMAT). American Embassy officials were encouraging. At great expenditure of time and effort, he had previously assembled all the details "the Yankees" wanted. He showed me the study. It was the size of a large book. "You can imagine," he said, "how much work it was to get this thing together out here." He waved his hand toward the window, from which there was a view of dusty, sweltering Cuiabá.

In the following year and a half, the Governor said that he had heard nothing from the Americans except vague encouragement and two requests to submit new studies. One of them had been prepared. It was the size of another book. The third study was still under preparation, but he was not sure that there was any use in carrying it to completion. With the amount of sweat he had put into these studies; he calculated that he could have poured a lot of the project's concrete himself. He now felt almost sure that the loan would never come through in time to do any good before his term of office expired in January 1966.


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I asked whether he was certain that the loan request was not being held up in some way by the Brazilian Government. He was sure that only the Americans were to blame. He produced a thick file of correspondence on the case. Some of it was in the form of telegrams from Roberto CAMPOS, Brazilian Ambassador in Washington and a close friend of the Governor. I said that there were probably some problems unknown to both of us. I knew nothing about the matter, but I promised to pass his comments on to people who did. This seemed to make him feel a little better.

In closing, the Governor said that he had just read The Ugly American, a book which he found strikingly accurate.


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